

RAS 5521

72-22-1SFS1- STATE Exhibit 53 - Rec'd 4/12/02

DOCKETED
USNRC

2003 JAN 29 PM 2: 35

Saturday, June 24, 2000

OFFICE OF THE SECRETARY
RULEMAKINGS AND
ADJUDICATIONS STAFF

Cohen: Joint Strike Fighter program must stay on schedule

By Chuck Vinch
Washington bureau

WASHINGTON — Defense Secretary William Cohen sent a letter to senior House and Senate lawmakers Thursday urging them to keep the funding and schedule for the Pentagon's Joint Strike Fighter aircraft on schedule.

The letter is a rear-guard action to beat back proposals that have surfaced in various congressional committees to scale back funding, production or both of what Cohen called "the cornerstone of tactical aircraft modernization."

Jacques Gansler, the Pentagon's acquisition chief, said at a briefing that the current schedule is crucial because the Marine Corps and Air Force have "serious scheduling problems" with their tactical aircraft that loom around the 2009-2010 timeframe, when both the AV-8B Harrier and F-16 Falcon will be reaching the end of their lifespans.

The F-22 Raptor, which is due to replace the F-15 as America's front-line air-to-air fighter, has never been designed to plug that gap, Gansler said.

"We have a serious need for an upgraded airplane that can't be filled with the F-22 because of its high cost and low volume," he said. "This airplane [the JSF] is designed to be a very high performance, stealthy, low-cost aircraft."

The Pentagon plans to buy about 330 F-22s, but more than 2,800 JSFs. The winning contractor — either Boeing or Lockheed Martin — could get orders for as many as 6,000 total planes, depending on foreign military sales.

The Pentagon plans to obtain a total of 2,852 aircraft — 1,763 for the Air Force, 480 for the Navy and 609 for the Marine Corps. If the program unfolds as planned, the Joint Strike Fighter would be the largest single military procurement program in history, worth between \$200 billion and \$400 billion.

"The JSF is our only affordable solution to providing the large number of modern, highly capable aircraft that the Air Force, Navy and Marine Corps must have to sustain their tactical fleets through the first half of the 21st century," Cohen wrote in his letter.

Lawmakers have had two main concerns — that the United States cannot afford to plunge into near-simultaneous production of the JSF, the F-22 and the Navy's new F/A-18 D and E, and that the Pentagon's procurement strategy for the JSF allows too small a degree of competition between the potential contractors.

The Pentagon plans on a "winner take all" concept for design of the plane.

"The winner-take-all program is what we had planned all along and we still have assessed it as the one that seems to make the most sense to us," Gansler said.

The Pentagon wants the eventual contractor to be able to produce three variations of the JSF — a carrier version with heavier landing gear, a Marine Corps version for close-air support that can perform vertical takeoffs and landings, like the current Harrier can, and the conventional Air Force version for air-to-air and air-to-ground missions.

Lawmakers — and some military officials — have been concerned that because the JSF program is so large and so significant, the winner-take-all approach could drive the loser out of the fighter aircraft business completely, leaving the United States with just one major manufacturer, which could hinder future cost efficiencies and technological innovations.

Cohen said in his letter that both Boeing and Lockheed Martin will have "a full opportunity to demonstrate the benefits of its approach to the JSF."

The companies will continue with their concept demonstration programs through next spring, when a final contract for production of the basic airframe is scheduled to be awarded.

Gansler said there will still be plenty of work for the loser in the near term in airframe, avionics radar and engine production. He noted that Boeing will be building the next generation of F/A-18 Super Hornet D and E models for the Navy, while Lockheed Martin will be making the new F-22 and will continue to produce F-16s for a number of years.

Even so, Gansler said Cohen has asked the RAND Corp., a military think tank in California, to assess the winner-take-all approach and various alternatives for the production phase of the program once the concept demonstration ends. A report is due back by Dec. 1.

"If it turned out that there was some clear direction that we should be taking that's different, "we have plenty of time to modify this in December after their report comes in," Gansler said.

But he and Cohen stressed that the most important issue from the Pentagon perspective is keeping the program on schedule.

"At this key juncture, keeping the JSF program on schedule is essential to sustaining the future readiness and force levels of our tactical aviation units as existing aircraft reach the end of their service lives," Cohen wrote in his letter.

CLEAR REGULATORY COMMISSION

Docket No. _____ Official Exh. No. STATE 53

In the matter of PFS

Staff _____ IDENTIFIED

Applicant _____ RECEIVED

Intervenor _____ REJECTED _____

Other _____ WITHDRAWN _____

DATE 4/12/02 Witness _____

Clerk: _____ *[Signature]*